



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
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Board of Supervisors
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First District

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Fifth District

June 1, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

FIVE-YEAR LEASE AMENDMENT – OFFICE OF THE ASSESSOR 6120 BRISTOL PARKWAY, CULVER CITY (SECOND DISTRICT) (3 VOTES)

SUBJECT

This recommendation is for a five-year lease amendment for 30,507 rentable square feet for the Office of the Assessor (Assessor) to provide continued use of existing office space and 120 parking spaces.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the proposed lease is categorically exempt from the provisions of the California Environmental Quality Act pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, per Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).
2. Approve and instruct the Chair to sign a five-year lease amendment with Fox Hills Business Park, LP (Landlord) for the Office of the Assessor to occupy 30,507 rentable square feet of office space and 120 parking spaces located at 6120 Bristol Parkway, Culver City, at an annual first year cost of \$604,044. The program is approximately 42 percent offset from other governmental entities, and 58 percent is net County cost.
3. Authorize the Chief Executive Office, Internal Services Department, and the Office of the Assessor to implement the project. The lease will be effective upon approval by your Board.

"To Enrich Lives Through Effective And Caring Service"

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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Assessor has occupied the facility since April 17, 2000. The current lease expired on April 16, 2010, and is currently on a month-to-month holdover basis. The facility houses the West District Office, one of four district offices of the Assessor. The Assessor also has a downtown Los Angeles headquarters, one regional office and a satellite location. The district offices are responsible for assessing and maintaining records for residential, commercial, industrial buildings and businesses within their geographical boundaries. The Assessor is a direct service program providing public services to taxpayers such as information regarding property tax issues for both residential and commercial properties. The office has frequent visits from taxpayers in need of assistance with interpretation of the Revenue and Taxation Code and questions related to assessments, real property, as well as personal property tax bills.

The facility adequately meets the space needs of the Assessor serving the western portion of the County at this location. The facility is freeway accessible and near bus routes. The office accommodates 160 employees. The program was approved for 32,868 square feet; however, the County was only able to renew the existing 30,507 square feet facility due to budgetary considerations. The proposed renewal will eliminate the need to relocate the program to another facility, thus reducing costs for Tenant Improvements (TI), furniture, telecommunications and low voltage requirements. The proposed amendment will provide adequate office space and parking for the continued uninterrupted operation of the program.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs that we maximize the effectiveness of processes, structure, and operations to support timely delivery of customer-oriented and efficient public services (Goal 1). In this case, the County is supporting the goal by providing an office in the community it serves, to increase effectiveness and enhance customer service, providing easy access to quality information and responsive services to the public.

FISCAL IMPACT/FINANCING

The proposed amendment will provide the Assessor the continued use of 30,507 square feet of office space and 120 onsite parking spaces for \$50,337 per month, or \$604,044 annually.

6120 Bristol Pkwy Culver City	Existing Lease	Proposed Lease Amendment No. 1	Change
Total Area	30,507 sq.ft.	30,507 sq.ft.	None
Term	Ten years (4/17/2000-4/16/2010)	Five years, upon Board approval.	-Five years
Annual Base Rent	\$644,308 (\$21.12/sq.ft.)*	\$604,044 (\$19.80/sq.ft.)*	-\$40,264 (-\$1.32/sq.ft.)
Base TI Allowance	N/A	\$91,521 (\$3.00/sq.ft.)	+\$91,521 (+\$3.00/sq.ft.)
Cancellation	After 60 months with 150 days notice.	After 48 months with 150 days notice.	-12 months
Parking (included)	120	120	None
Option to Renew	One five-year	None	No Option
Rental Adjustment	Consumer Price Index (CPI) capped at 4 percent	CPI capped at 4 percent	None

* County pays utilities which based on fiscal year 2008/2009 records cost \$2.95/sq.ft. annually, or \$90,138.

This is a modified-gross lease whereby the Landlord is responsible for all operating costs associated with the County's occupancy, less utilities. A rental reduction of approximately \$40,000 per year was negotiated on behalf of the County for the proposed amendment which also includes a provision for new paint and minor improvements.

Sufficient funding for the proposed lease costs is included in the proposed 2009-10 Rent Expense budget and will be billed back to the Assessor. The Assessor has sufficient funding in its 2009-10 operating budget to cover the projected lease costs. The Assessor is a revenue generating department, and pursuant to SB 2557, administrative expenses incurred by the Assessor which are allocable to cities and special districts are reimbursable from those entities. The Assessor indicates that about 42 percent of the costs associated with the subject lease will be offset. Costs associated with the proposed lease amendment will be 58 percent net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed five-year lease amendment will provide 30,507 square feet of office space and 120 parking spaces. The proposed lease amendment contains the following provisions.

- A five-year term commencing upon Board approval.
- A modified-gross basis with the Landlord responsible for all operating and maintenance costs, except utilities.
- A base TI provision providing new paint and minor improvements included in the base rent.
- A cancellation provision allowing the County to cancel any time after 48 months with 150 days prior written notice.
- Annual rental rate adjustments based upon CPI with a maximum increase of 4 percent per annum through the term of the lease.

The Chief Executive Office (CEO) Real Estate staff conducted a survey within the search area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically. Based upon said survey, staff has established that the rental range for similar office space is between \$18.36 and \$27.00 per square foot per year on a modified-gross basis, including parking. Thus, the base annual rent of \$19.80 per square foot per year modified-gross, including parking, for the proposed lease represents a rate within the market range for the area. Attachment B shows County-owned or leased facilities in the proximity of the service area and there are no suitable County-owned or leased facilities available for the program.

The Department of Public Works has inspected this facility and found it suitable for the County's occupancy. Notification letters have been sent pursuant to Government Code Sections 25351 and 65402.

A child care center is not feasible for the department in the proposed lease premises.

ENVIRONMENTAL DOCUMENTATION

The CEO has concluded that this project is exempt from California Environmental Quality Act (CEQA) as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, and Section 15301 of the State CEQA Guidelines (Existing Facilities).

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease amendment will adequately provide the necessary office space for this County requirement. The Assessor concurs with the proposed lease recommendation.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return four originals of the executed lease amendment, two certified copies of the Minute Order and the adopted, stamped Board letter to the CEO, Real Estate Division at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:SK:WLD
CEM:FC:hd

Attachments

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Assessor
Internal Services Department

6129Bristol pkway BL

OFFICE OF THE ASSESSOR
6120 BRISTOL PARKWAY, CULVER CITY
Asset Management Principles Compliance Form¹

1.	Occupancy		Yes	No	N/A
	A	Does lease consolidate administrative functions? ²			X
	B	Does lease co-locate with other functions to better serve clients? ² This facility provides only specialized Assessor functions.		X	
	C	Does this lease centralize business support functions? ²			X
	D	Does this lease meet the guideline of 200 sq. ft of space per person? ² 191 square feet per person.	X		
2.	Capital				
	A	Is it a substantial net County cost (NCC) program?	X		
	B	Is this a long term County program?	X		
	C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
	D	If no, are there any suitable County-owned facilities available?		X	
	E	If yes, why is lease being recommended over occupancy in County-owned space?			X
	F	Is Building Description Report attached as Attachment B?	X		
	G	Was build-to-suit or capital project considered? The Assessor requested the lease be renewed.		X	
3.	Portfolio Management				
	A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?		X	
	D	Why was this program not co-located?			
		1. ____ The program clientele requires a "stand alone" facility.			
		2. <u>X</u> No suitable County occupied properties in project area.			
		3. ____ No County-owned facilities available for the project.			
		4. ____ Could not get City clearance or approval.			
		5. ____ The Program is being co-located.			
	E	Is lease a full service lease? ² Modified gross (net utilities) as with existing lease. Landlord will not incur this expense.		X	
	F	Has growth projection been considered in space request?		X	
	G	Has the Dept. of Public Works completed seismic review/approval?	X		
		¹ As approved by the Board of Supervisors 11/17/98			

²If not, why not?

**OFFICE OF THE ASSESSOR
6120 BRISTOL PARKWAY, CULVER CITY
SPACE SEARCH - SERVICE AREA 5**

LACO	FACILITY NAME	ADDRESS	OWNERSHIP	GROSS SQ. FT.	FEET SQ.FT.	SQUARE FEET
4271	WEST LOS ANGELES COURTHOUSE	1633 PURDUE AVE, WEST LOS ANGELES 90025	OWNED	43,404	29,719	NONE
A378	DPSS-AIRPORT/WESTSIDE GAIN REGION I OFFICE	5200 W CENTURY BLVD, WESTCHESTER 90045	LEASED	50,147	47,640	NONE
X301	LOS ANGELES AIRPORT COURTHOUSE	11701 S LA CIENEGA BLVD., LOS ANGELES 90045	FINANCED	292,000	157,380	NONE
A437	DCFS WATERIDGE OFFICE	5100 W GOLDFEAF CIR BUILDING C, LOS ANGELES 90056	LEASED	52,370	46,086	NONE
A528	DPSS-NEW RANCHO PARK DISTRICT OFFICE	11110 W PICO BLVD, LOS ANGELES 90064	LEASED	69,450	59,033	NONE
5421	BEVERLY HILLS COURTHOUSE	9355 BURTON WAY, BEVERLY HILLS 90210	OWNED	69,962	47,608	NONE
5681	PUB LIB-MALIBU LIBRARY	23519 W CIVIC CENTER WAY, MALIBU 90265	OWNED	69,397	40,570	NONE
3080	SANTA MONICA COURTHOUSE	1725 MAIN ST, SANTA MONICA 90401	OWNED	114,008	86,844	NONE
5570	PH-YVONNE BRATHWATE BURKE HEALTH CENTER/PPP	2509 W PICO BLVD, SANTA MONICA 90404	OWNED	36,557	26,581	NONE
5708	PUB LIB-CULVER CITY JULIAN DIXON LIBRARY	4975 OVERLAND AVE, CULVER CITY 90230	OWNED	21,406	17,364	NONE

**AMENDMENT NO. 1 AND EXERCISE
OF FIRST OPTION TO RENEW LEASE NO. 72440
OFFICE OF THE ASSESSOR**

THIS AMENDMENT NO. 1 AND EXERCISE OF OPTION TO RENEW LEASE NO. 72440 ("Amendment" or "Amendment No. 1") is made and entered into as of this _____ day of _____, 2010, by and between **FOX HILLS BUSINESS PARK, LP**, a California limited partnership ("**Lessor**"), and the **COUNTY OF LOS ANGELES**, a body corporate and politic ("**Lessee**").

RECITALS:

WHEREAS, on September 21, 1999, Lease No. 72440, (the "Lease") was entered into by and between FOX HILLS BUSINESS PARK, LP, as Lessor and the COUNTY OF LOS ANGELES, as Lessee to lease approximately 30,507 rentable square feet of office space commonly known as (the "**Premises**"), in the building located at 6120 Bristol Parkway, Culver City, California (the "**Building**"), for a term of ten (10) years (the "**Initial Term**") from April 17, 2000 to April 16, 2010;

WHEREAS, Lessor, and Lessee desire to amend the Lease for the purpose of extending the term of the Lease and modifying certain provisions of the Lease as set forth herein.

WHEREAS, pursuant Paragraph 2, TERM, subparagraph B, Options to Renew, of the Lease, Lessee now desires to exercise its option to renew thereby extending the Lease for an additional five (5) years, and Lessor is in agreement with extending and amending the term pursuant to Paragraph 2 herein;

WHEREAS, Lessor and Lessee desire to amend Paragraph 3, RENT, to reflect the rent to be paid during the Extended Term of the Lease and thereafter;

WHEREAS, Lessor and Lessee desire to amend Paragraph 4, USE, to reflect the Lessee's normal working hours during the Extended Term of the Lease and thereafter;

WHEREAS, Lessor and Lessee desire to amend Paragraph 5, CANCELLATION, to reflect the cancellation provision for the extended Lease term.

WHEREAS, Lessor and Lessee desire to amend Paragraph 15, NOTICES, to reflect the proper notice information for the Lessee.

WHEREAS, Lessor and Lessee desire to amend Paragraph 17, INSURANCE, Subsection B of the Lease to reflect the current insurance requirements for the extended Lease term.

WHEREAS, Lessor and Lessee desire to amend Paragraph 28, RENTAL ADJUSTMENT, to reflect agreed upon improvements for the Extended Term of the Lease and thereafter;

WHEREAS, Lessor and Lessee desire to add Paragraph 32, PREPARATION OF PREMISES, to reflect agreed upon improvements for the Extended Term;

WHEREAS, Lessor and Lessee desire to add Exhibit B-1, HVAC STANDARDS, to reflect Lessee's standard office space requirements.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the rents, covenants and agreements hereinafter contained, and are intended to be legally bound, Lessor and Lessee hereby covenant and agree to amend Lease No. 72440 as follows:

1. Paragraph 2, TERM, is hereby amended as to Subsections A and B, and Subsection F is hereby added as follows:

A. Original Term, is hereby amended by deleting the words "Original Term:" and substituting in lieu thereof the words "Initial Term", and remainder of the language remains as stated in the Lease.

B. Options to Renew: The existing Section 2(B) entitled Options to Renew is hereby amended by adding the following to the end thereof as follows:

The existing Option to Renew has been exercised and amended as set forth in Amendment No.1.

F. Extended Term: Lessee desires to exercise and Lessor is in agreement with Lessee exercising its Option to Renew as described in the Lease. As such, the Extended Term of the Lease shall be for a period of five (5) years commencing upon approval of this Amendment No. 1 by the Board of Supervisors (the "**Extended Term Commencement Date**"), but in no event sooner than April 17, 2010, and ending five years thereafter.

2. Paragraph 3, RENT, is hereby modified and the following Subsection A and B have been added as follows:

A. Initial Term Rent: The rent language remains as stated in the Lease and is hereby incorporated under Subsection A, as amended hereby.

B. First Extended Term Rent Commencing on the First Extended Term Commencement Date, the Lessee agrees to pay as rent for said Premises the sum of FIFTY THOUSAND, THREE HUNDRED THIRTY SIX AND 55/100 DOLLARS (\$50,336.55) per month, i.e. \$1.65 per rentable square foot per month, during months 1 through 12 of the Extended Term hereof within 15 days after a claim therefor for each such month has been filed by Lessor with the Auditor of the County of Los Angeles prior to the first day of each month. Basic rent for any partial month shall be prorated in proportion to the number of days in such month.

3. Paragraph 4, USE, is hereby amended by adding the following to the end thereof as follows:

Normal Working Hours: 7:00 a.m. to 6:00 p.m., Monday through Friday and 8:00 a.m. to 2:00 p.m. Saturday, except New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day (on the days such holidays are generally observed) and such other holidays as are generally recognized by the County of Los Angeles, California.

4. Paragraph 5, CANCELLATION, is hereby deleted in its entirety, and replaced with the following:

Lessee shall have the right to cancel this Lease at or anytime after the forty-eighth (48th) month of the Extended Term of this Lease by giving Lessor no less than one hundred and fifty (150) days prior written notice of its intent to cancel, by letter from Lessee's Chief Executive Office.

5. Paragraph 15, NOTICES, is hereby deleted in its entirety, and replaced with the following:

Notices desired or required to be given by this Lease or by any law now or hereinafter in effect shall be given by enclosing the same in a sealed envelope (i) with postage prepaid, certified or registered mail, return receipt requested, with the United States Postal Service, or (ii) delivered by an overnight courier service that confirms delivery. Either party may by written notice similarly given designate a different address for notice purposes.

Any such notice and the envelope containing the same shall be addressed to the Lessor as follows:

Denholm, Harris & Co.
2503 Eastbluff Drive, Suite 204
Newport Beach, CA 92660

With a copy to:

Jackson, DeMarco Tidus Peckenpaugh
2030 Main Street, Suite 1200
Irvine, CA 92614

The notices and envelopes containing the same shall be addressed to the Lessee as follows:

Board of Supervisors
Kenneth Hahn Hall of Administration, Room 383
500 West Temple Street
Los Angeles, California 90012

With a copy to:

Chief Executive Office
Real Estate Division
Attention: Director of Real Estate
222 South Hill Street, 3rd Floor
Los Angeles, California 90012

6. Paragraph 17, INSURANCE, Subsection B is deleted in its entirety, and replaced with the following:

B. During the term of this Lease, Lessor shall also at all times maintain in force a policy of General Liability Insurance (written on ISO policy form CG 00 01 or its equivalent) plus coverage against such other risks Lessor deems advisable from time to time, insuring Lessor, against liability arising out of the ownership, use, occupancy, or maintenance of the Premises in an amount with limits of not less than the following: (1) per occurrence and general aggregate amount of \$5,000,000 (2) products/completed operations aggregate of \$2,000,000 and (3) personal and advertising injury of \$1,000,000. The policy coverage shall be reviewed by the insurer at least every year to assure sufficient coverage.

7. Paragraph 28, RENTAL ADJUSTMENT, is hereby deleted in its entirety, and replaced with the following:

A. CPI. From and after the first anniversary of the Extended Term Commencement Date, on the first day of the first full calendar month thereafter (the "**Adjustment Date**") and on every anniversary of the Adjustment Date thereafter, the rent for the Extended Term shall be adjusted by applying the CPI Formula set forth below.

B. CPI Formula. The "Index" means the Consumer Price Index for all Urban Consumers for the Los Angeles-Anaheim-Riverside area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100). The "**Base Index**" shall be the Index published for the month the Extended Term commences. The "**CPI Formula**" means Base Rent multiplied by a fraction, the numerator being the Index published for the month immediately preceding the month the adjustment is to be effective, and the denominator being the Base Index. If the Index is changed so that the Index differs from that used as of the Extended Term Commencement Date of the Lease, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor

Statistics. If the Index is discontinued or revised during the Term of this Lease, such other governmental Index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Index had not been discontinued or revised.

C. Illustration of Formula. The formula for determining the new rent shall be as follows:

$$\frac{\text{New Index}}{\text{Base Index}} \times \$50,336.55 = \text{Adjusted Monthly Rent}$$

D. Limitations on CPI Adjustment. (i) In no event shall the monthly base Extended Term rent adjustment based upon the CPI Formula result in an annual increase greater than four percent (4%) per year of the monthly Base Extended Term Rent of \$50,336.55 (i.e., not greater than \$2,013.46 per month annually).

8. Paragraph 32, PREPARATION OF PREMISES, is hereby added as follows:

A. Lessee acknowledges that it is already in possession of the Premises pursuant to Lease No. 72440, and that Lessor shall be deemed to have delivered possession of the Premises to Lessee on the Extended Term Commencement Date in an "as-is" condition with no alterations or improvements being made by Lessor except the following:

Lessor shall, at Lessor's cost, following the Extended Term Commencement Date, perform the work more particularly described in **Exhibit A-1** attached hereto and incorporated herein by this reference (collectively, the "**Improvements**"). The Improvements shall be performed using Building standard materials, procedures and specifications, as set forth in Exhibit A-1 hereto. Lessor agrees to perform the interior related Improvements before 7:00 a.m. or after 5:00 p.m. Monday through Friday or on the weekends. Lessee hereby agrees to use its best efforts to cooperate with Lessor in connection with the construction of the Improvements. Notwithstanding the immediately preceding sentence, in connection with the performance of the Improvements, Lessor agrees to move, to the extent necessary, Lessee's furniture and such other items as Lessor may require be moved in order to perform the Improvements; provided, however, Lessee shall be required to move Lessee's computers, copiers and other personal property which Lessor or its contractor may request be moved. Notwithstanding the foregoing, Lessor shall use its commercially reasonable efforts to perform the Improvements in a manner so as to minimize unreasonable interference with Lessee's business at the Premises. Lessor shall endeavor to perform all work within three (3) months of approval of this Amendment by Lessee's Board of Supervisors, but in no event shall the work be completed later than nine (9) months after such approval of this Amendment by the Board of Supervisors.

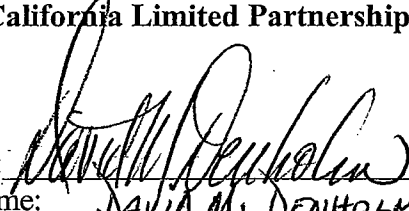
9. HVAC STANDARDS: **Exhibit B-1 HVAC STANDARDS**, is hereby added to this Lease, reflecting the Lessee's requirements for Heating, Ventilation and Air Conditioning. Lessor agrees to provide and maintain an HVAC system appropriate to the size of the facility, current occupancy level, and space layout.

10. Original Lease in Full Force. Notwithstanding anything to the contrary herein, all of the terms and conditions contained in the Lease, which are not modified by this Amendment shall remain in full force and effect. In the event of a conflict between the Lease and this Amendment, the terms of this Amendment shall control.

IN WITNESS WHEREOF this Amendment has been executed the day and year first above set forth.

"LESSOR"

FOX HILLS BUSINESS PARK, LP
a California Limited Partnership

By: 
Name: DAVID M. JENHOLM
Its: GEN. PARTNER

"LESSEE"

COUNTY OF LOS ANGELES,
a body corporate and politic

By: _____
Name: GLORIA MOLINA
Its: Chair, Board of Supervisors

ATTEST:

SACHI A. HAMAI,
Executive Officer- Clerk of the Board of Supervisors

By: _____

APPROVED AS TO FORM:
ANDREA SHERIDAN ORDIN
COUNTY COUNSEL


By: 
Amy M. Caves
Senior Deputy

EXHIBIT A-1

TENANT IMPROVEMENTS

Lessor, at Lessor's sole cost and expense, shall perform the following Tenant Improvements in the Premises, utilizing Lessee's current standard grade, quality, make, style, design and color materials and construction methods for the Building, as applicable:

Paint:

- A. Paint all existing interior spaces including, but not limited to walls, hard-lid ceilings, doors, and trim. Door frames are not to be painted. Provide one primer coat and two finish coats.
- B. Provide one base color, and four accent colors:
 - Office areas: eggshell or low sheen finish.
 - Restrooms, lunchrooms and breakrooms: semi-gloss.
- C. Specify Dunn Edwards, or approved equal.
- D. Walls that are behind cubicles, filing cabinets or millwork shall not be painted. Lessee will remove all items from walls prior to painting including memos, tape, pictures and personal property, but Lessor will remove and reinstall bulletin boards, white boards and similar wall items.
- E. Final selection to be approved by County space planner.

Carpet or Vinyl tile flooring replacement for one file/storage room:

- A. Install new carpet or vinyl tile in small storage/file room as designated per plans specifications to be forthcoming (final selection to be approved by County space planner).
- B. Lessor will be responsible for the furniture lift for carpet or vinyl tile replacement, including moving any furniture, fixtures, and/or equipment (including the disconnection of electrical equipment), and other property which Lessor or its contractor may require be moved to perform the work, provided however, that upon prior notice from Lessor or its contractor, Lessee shall arrange for all appropriate telephone, communication and computer wires or cables to be disconnected in advance of the moving of such equipment, and shall empty out, and remove any items from on top of, all filing cabinets.
- C. Lessor and Lessee hereby agree to cooperate with the other party and exercise reasonable, good faith efforts to coordinate the timing and planning of the Tenant Improvement work.

Miscellaneous Other:

- A. Repair or replace damaged ceiling tiles (cracked, stained, discolored, dirty or other)
- B. Add contrast color strip to steps in interior stairwells per Americans with Disabilities Act (ADA) requirements.

EXHIBIT A-1 Floor Plan

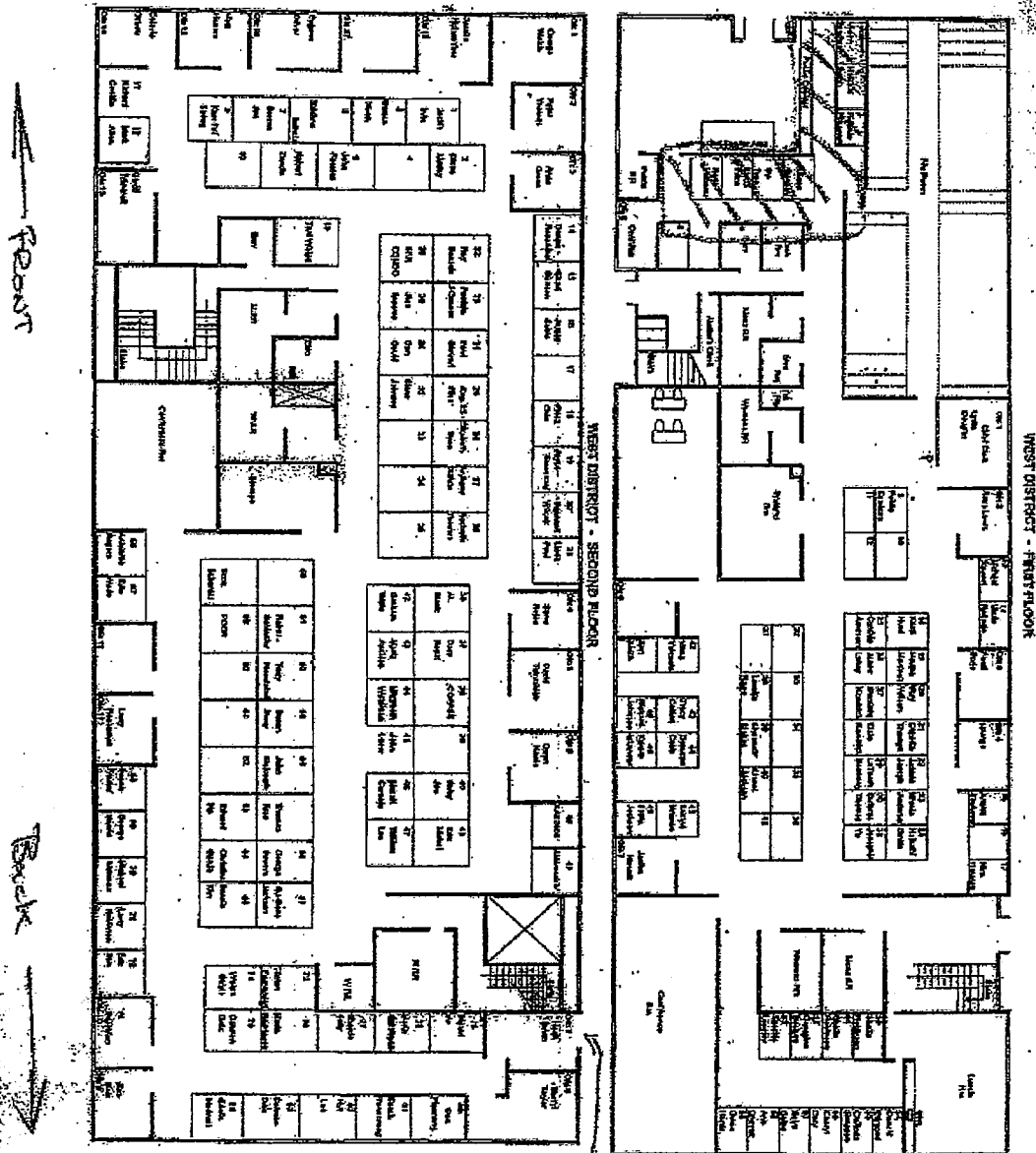


EXHIBIT B-1

HVAC STANDARDS

Lessor shall supply cooling, ventilating and heating with capacity to produce the following results effective during Normal Working Hours established by this Lease Amendment and within tolerances normal in comparable office buildings; maintenance of inside space conditions of not greater than 78 degrees Fahrenheit when the outside air temperature is not more than 93 degrees Fahrenheit dry bulb and 70 degrees Fahrenheit wet bulb, and not less than 70 degrees Fahrenheit when the outside air temperature is not lower than 42 degrees Fahrenheit dry bulb. Interior space is designated at a rate of one zone for approximately each 1,000 square feet and one diffuser for each 200 square feet of usable square footage within the Premises. If energy requirements prohibit Lessor from complying with these requirements, Lessee shall not unreasonably withhold its consent to temporary waivers or modifications.